

ARTI CROSS EXHIBIT 2

(Public Version)

Arti, LLC
Data Request
Docket No. FCU-2014-0016

Response Date: April 24, 2015

MidAmerican Energy Company

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7. Identify each and every provision MidAmerican applied in deciding to treat service to Arti's [REDACTED] from the Pony Creek Substation and service provided to Arti's [REDACTED] [REDACTED] from the Southland Substation as service to separate customers with separate facilities.

Response:

MidAmerican based its decision to treat service to the Arti project from the Pony Creek Substation as a billing account separate from service to the Arti project from the Southland Substation for several reasons. The primary driver of the initial decision was the fact that service from each substation was provided under its own separate electric service agreement. Determination of whether a contribution was needed to help finance the expansion was also made separately for each substation.

When Arti challenged MidAmerican's decision, we reviewed that decision in light of various tariff provisions. Please refer to the definitions in Electric Tariff No. 2, Original Sheet No. 5, which states in part:

Point of Attachment means a Company-approved, single location where the Customer's facilities are connected to the Company's facilities. If the metering is installed on the Customer's side of the Point of Attachment, the Company reserves the right to exercise control up to the metering point.

Premises means a contiguous tract of land that may be separated by nothing more than a highway, street, alley or railroad right-of-way, where all buildings and/or electricity-consuming devices located thereon are owned or occupied by a single Customer or applicant for electrical service, or where all electricity delivered thereto

is utilized to supply one (1) or more buildings and/or electric loads which the Company considers as components of a unified operation.

Please also see the [REDACTED] Tariff in Electric Tariff No. 2, [REDACTED] which provides in part:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The decision to treat Arti's Pony Creek Substation and Southland Substation as two different accounts was affirmed based upon MidAmerican's electric tariffs outlined above.

MidAmerican's [REDACTED] rate is available to Arti based on the ownership of a single substation with multiple points of attachment. MidAmerican considers the Pony Creek and Southland Substations as two facilities because there will be several points of attachment for each substation and the [REDACTED] operations are not considered to components of a unified operation.

The [REDACTED] tariff also sets forth the net monthly rate per meter. While MidAmerican recognizes the definition of Premises allows multiple buildings to be treated as one unified operation, as noted above, the fact that two substations are required to serve the load does not demonstrate that the operations are unified. Additionally, the [REDACTED] tariff

recognizes that under a single ownership, a customer may have more than one meter and the net monthly rate will be billed per meter.

It is also important to note that in the context of reliability reporting, the Board Rules contemplate that each meter equals one customer. The definition of customer for the purposes of reliability reporting is defined as “(1) any person, firm, association, or corporation, (2) any agency of the federal, state, or local government, or (3) any legal entity responsible by law for payment of the electric service from the electric utility which has a separately metered electrical service point for which a bill is rendered. Electrical service point means the point of connection between the electric utility’s equipment and the customer’s equipment. Each meter equals one customer. Retail customers are end-use customers who purchase and ultimately consume electricity.” 199 IAC 20.18(4). While the Board rules do not address whether multiple service points may be totalized for billing purposes, the Board does recognize the same legal entity can have several service connections and be considered separate customers for each service point and meter.